

RGT BERHAD

Registration No. 198101004909 (71024-T)

(Incorporated in Malaysia)

Key matters deliberated during the 40th Annual General Meeting of the Company held on a Fully Virtual Basis through live streaming and online remote voting from the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657) provided by Boardroom Share Registrars Sdn Bhd (“BR Online”) on Monday, 29 November 2021 at 10.00 a.m.

SUMMARY OF QUESTIONS SUBMITTED BY SHAREHOLDERS BEFORE AND DURING AGM

Dato’ Ir. Chairman informed that the Company had on 22 November 2021 received a letter from the Minority Shareholders Watch Group (“MSWG”) concerning the Operational and Financial Matters. Accordingly, the Company has also given its written reply to them on 26 November 2021. Besides, he informed that there were questions submitted by shareholders online during the course of the AGM.

In the letter, MSWG has enquired about the progress of acquisition of 40% stake in Rapid Growth Technology Sdn Bhd (“RGTSB”) and the current business situation of the company. The First Proposal had been submitted to the regulator in September 2019. The Company was made to understand that should the Company proceed with the Proposed Acquisition, the Company shall also undertake efforts to address the Bumiputera equity requirements. The Second Proposal had been submitted to the regulator in September 2020. Both the Share Sale Agreement (“SSA”) and the Supplemental SSA had lapsed on 30 June 2021 and there was no decision received by the Company from the regulator. Subsequently, the Company entered into a new agreement in September 2021. At this juncture, the application is currently pending the approval of the regulator.

In the latest proposal, the purchase consideration was reduced from RM124.8 million to RM85.6 million for the 40% stake in RGTSB. The number of shares to be issued is 267.6 million which is 16 million shares lesser compared to 283.6 million shares to be issued from the earlier proposal. There is no Profit Guarantee for the current proposal as the Purchase Consideration is based on PAT from Audited Accounts for FYE 30 June, 2021 instead of PAT from the Profit Forecast.

While continuing its expansion of Hygiene Care and Air Care revenue base, the Group has successfully diversified into the related business of precision spray painting services and manufacturing of High Precision machining parts and components and commissioning of automated systems to Electronics and Medical Industries.

The factory expansion of floor space is in progress and should be completed by December 2021. The expansion plan is a medium-term plan which will provide the Group with additional capacities for new potential business opportunities from new and existing customers. We are targeting full utilisation within 3 years.

Going forward, we continue to face challenges due to ongoing logistic and supply chain disruptions. The Group expect the COVID-19 pandemic to drive the need for better hygiene, thus sustaining an increase in the demand of Hygiene Care Products since it will be widely used to prevent and control the spread of infectious diseases.

Dato’ Ir. Chairman also informed that there are a few questions from the shareholders and some questions from shareholders have been answered during the summary replied to MSWG.

A question from shareholder, Cheng Bee Bee asked whether the revenue of the newly acquired company, Top Degree (M) Sdn Bhd (“TDSB”) will be included in the upcoming RGTBHD’s quarterly results and are there any plans to acquire more EMS company.

Dato’ Ir. Chairman replied that the acquisition of TDSB was completed in October 2021, hence, its financial performance will only be included in the Group Q2’22 results.

The Group is now at its expansion pace and would open for any potential merger/acquisition of complimentary business, in order to improve its market share, achieve synergies in various operations.